

TEMPORARY

Application No.

79545

T

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office FEB 16 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed _____

The applicant CORTEZ JOINT VENTUREHC66, Box 1250

Street Address or PO Box

of Crescent Valley

City or Town

Nevada 89821-1250

State and ZIP Code

hereby make(s) application for permission to change the

☐ Point of diversion☒ Place of use☒ Manner of use☒ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 77179, under State Engineer's Order 1189

1. The source of water is Underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 4.3512 cfs not to exceed 3,150 AFA

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining, Milling, and Dewatering - Irrigation Use

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining, Milling, and Dewatering

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the NW¼NW¼ Section 31, T. 27 N., R. 48 E., M.D.M. or at a point from which the NW Corner of said Section 31 bears North 45° West, a distance of 250 feet. (Master Permit location under Order 1189)

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

no change

54-47

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

T.27 N., R. 47 E., MDM: E½ Section 24, all of Sections 25 and 36;

T.27 N., R. 48 E., MDM: W½ Section 19, all of Sections 30 and 31;

T.26 N., R. 47 E., MDM: E½ Section 1, E½ Section 12, E½ Section 13;

T.26 N., R. 48 E., MDM: Sections 6, 7, and 18; all known as the Cortez Hills Project Area within Lander County and within portions of Crescent Valley (Basin 054) and Grass Valley (Basin 138).

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

T.27 N., R. 47 E., MDM: E½ Section 24, all of Sections 25 and 36;

T.27 N., R. 48 E., MDM: W½ Section 19, all of Sections 30 and 31;

T.26 N., R. 47 E., MDM: E½ Section 1, portions of Section 12;

T.26 N., R. 48 E., MDM: portions of Sections 6 and 7;

all known as the Cortez Hills Project Area within Lander County and all within the Crescent Valley Hydrographic Basin.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled wells, pumps, motors, meters, conveyance works and facilities.

12. Estimated cost of works in excess of \$10,000,000

13. Estimated time required to construct works See Attached Well List

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 10 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

This Application is filed in support of the Cortez Hills Mining Project and the Rules established under Order 1789. Please see attached.

16. Miscellaneous remarks:

Please see attached.

rciwater@rci-nv.com

E-mail Address

775-883-1600

Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Bruce R. Scott

Type or print name clearly

Signature, applicant or agent

Resource Concepts, Inc.

Company Name

340 North Minnesota Street

Street Address or PO Box

Carson City, NV 89703

City, State, ZIP Code

**ATTACHMENT TO (4) TEMPORARY APPLICATIONS TO CHANGE
STATE ENGINEER WELL SPACING ORDER 1189
SUPER PERMIT 77179**

Items 15 and 16:

These Temporary Applications are being filed in accordance with State Engineer's Order 1189 dated June 4, 2008, to meet the annual temporary filing requirements as described under Rule Number 3 of said Order. In accordance with Rule Number 7 of the Order, these temporary applications are based on the total amount of water permitted under Super Permit 77179, issued February 6th, 2009.

Actual Pumpage:

The Cortez Hills mining project pumped a total of 1,720.43 AFA in 2009, as reported to the Division of Water Resources in the Annual Pumpage Report. Of this total, most of the water remained in the Cortez Hills area where it was used for dust control, construction, drilling, reservoir storage, and other on-site needs. A portion (318.82 AF) was pumped via an 18" Cross Valley Pipeline to the Cortez Pipeline area where it was used in the leaching pad areas due to poor water quality. There was no actual usage of Cortez Hills water under Order 1189 for irrigation or stockwater in 2009.

| | |
|---|------------------|
| 1. Mining, milling, dewatering – Cortez Hills use: | 1,401.61 AFA (a) |
| 2. Mining, milling, dewatering – Cross Valley Pipeline: | 318.82 AFA |
| 3. Irrigation use: | 0.00 AFA |
| 4. Stockwater use: | 0.00 AFA (b) |

(a): This consumptive figure includes 454.52 AFA of water pumped to the Cortez Hills storage reservoir and used on-site.

(b): The Cortez Hills area includes 11 stockwater rights (Permits 73266 – 73276) from seeps and springs not associated with the mining project, whose total combined duties provide enough water for 1000 head of cattle (0.031 cfs / 22.4 AFA). Permittee reports that in 2009 no Cortez Hills project water was used for stockwatering.

STATE ENGINEER
2010 FEB 16 AM 11:28
FEBRUARY 15, 2010

**ATTACHMENT TO (4) TEMPORARY APPLICATIONS TO CHANGE
STATE ENGINEER WELL SPACING ORDER 1189
SUPER PERMIT 77179**

Cortez Hills 2009 Points of Diversion

| Drill hole # | Surveyed Location | | | Calculated Tie to NE Corner Section 1, T26N, R47E, MDM | | In Service Date | AFA Pumpage 2009 | Average Production GPM 2009 |
|--------------|-------------------|---------|---------------------|--|----------|--------------------|------------------------|--------------------------------------|
| | Northing | Easting | Elevation Ground | Bearing | Distance | | | |

**Dewatering Wells
Pre Well Spacing Order**

| | | | | | | | | |
|---------|-----------|------------|---------|-------------|--------|-----------|--------|------------|
| PPW-1 | 25,141.75 | 132,286.50 | | N.89°31' W. | 2,187' | 6/5/2000 | 0.00 | Not pumped |
| PPW-2 | 24985.03 | 34028.65 | 6440.15 | N.85°47' W. | 3,936' | 4/17/2002 | 138.56 | 86 |
| PPW-03 | 23,993.77 | 32,583.79 | 6183.89 | N.62°41' W. | 2,792' | 5/26/2005 | 219.58 | 136 |
| PPW-05W | 27,299.28 | 33,661.61 | 6331.24 | S.60°22' W. | 4,094' | 6/9/2005 | 119.35 | 74 |
| PPW-06W | 28,236.96 | 32,631.71 | 6133.64 | S.40°29' W. | 3,895' | | 0.00 | Not pumped |
| PPW-07W | 29,454.50 | 31,889.73 | 5928.08 | S.23°09' W. | 4,546' | 6/11/2007 | 6.85 | 4 |
| DW-08 | 28,363.83 | 35,150.95 | 6471.97 | S.58°32' W. | 5,918' | 12/4/2007 | 233.80 | 145 |
| DW-14 | 27,051.48 | 31,984.22 | 6062.69 | S.46°38' W. | 2,588' | 10/31/08 | 72.82 | 45 |

Post Well Spacing Order

| | | | | | | | | |
|-------|-----------|-----------|---------|-------------|--------|----------|--------|------------|
| DW-13 | 26,729.39 | 33,689.02 | 6324.64 | S.67°55' W. | 3,870' | 05/13/09 | 366.26 | 227 |
| DW-16 | 23,968.52 | 33,332.17 | 6286.97 | N.67°59' W. | 3,483' | 03/07/09 | 142.05 | 88 |
| DW-15 | 26,591.18 | 31,011.92 | 5959.18 | S.34°37' W. | 1,600' | 09/15/09 | 0.00 | not pumped |

Water Supply Wells

| | | | | | | | | |
|---------|-----------|-----------|---------|-------------|---------|----------|-------|------------|
| M1PW-01 | 39,346.54 | 29,655.84 | 4899.41 | S.01°49' E. | 14,079' | 01/14/08 | 67.31 | 7 |
| GVPW-01 | 10,139.96 | 32,165.98 | 5738.53 | N.07°46' W. | 15,275' | 02/06/09 | 35.03 | 22 |
| GVPW-02 | 8,543.58 | 32,074.43 | 5735.89 | N.06°43' W. | 16,847' | 03/20/09 | 0.00 | not pumped |

Sub-Total: Cortez Hills on-site use (includes reservoir)

1,401.61

Cross Valley pipeline

318.82

Total Cortez Hills Pumpage

1,720.43

The CVP - Cross Valley Pipeline - carries water from Cortez Hills to the Pipeline Mine area via the "Portal" Point of Diversion under Permit 75053.

2010 FEB 16 15:11:28
STATE ENGINEER